



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

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ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM

STATE HEALTH PLNG & DEV. AGENCY

Application Number: # 20-18A
To be assigned by Agency

Date of Receipt:

APPLICANT PROFILE

Project Title: Establishment of Home Health Agency Services on Hawaii Island

Project Address: 563 Kaumana Drive

Hilo, HI 96720

Applicant Facility/Organization: Stay at Home Healthcare Services, LLC

Name of CEO or equivalent: Richard Kishaba

Title: President

Address: 45-181 Waikalua Road, Kaneohe, HI 96744

Phone Number (808) 871-9217 Fax Number: (808) 871-9262

Contact Person for this Application: Wesley Lo

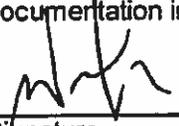
Title: CEO

Address: 472 Kaulana Street, Kahului, HI 96732

Phone Number (808) 871-9217 Fax Number: (808) 871-9262

CERTIFICATION BY APPLICANT

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.



Signature

11/27/20

Date

Wesley Lo
Name (please type or print)

CEO
Title (please type or print)

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1. TYPE OF ORGANIZATION: (Please check all applicable)

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- Public _____
- Private _____ X _____
- Non-profit _____
- For-profit _____ X _____
- Individual _____
- Corporation _____
- Partnership _____
- Limited Liability Corporation (LLC) _____ X _____
- Limited Liability Partnership (LLP) _____
- Other: _____

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2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: _____
- O`ahu-wide: _____
- Honolulu: _____
- Windward O`ahu: _____
- West O`ahu: _____
- Maui County: _____
- Kaua`i County: _____
- Hawai`i County: _____ X _____

3. DOCUMENTATION (Please attach the following to your application form):

A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)

Site will be leased from Hilo SNF, a related party to Stay at Home Healthcare Services

B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.)

Licensure from the State of Hawaii, Department of Health, Office of Healthcare Assurance and Medicare Certification.

C. Your governing body: list by names, titles and address/phone numbers

See Attachment B

D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- Articles of Incorporation - See Attachment C
- By-Laws - Not applicable
- Partnership Agreements - Not applicable
- Tax Key Number (project's location) - 250060120000

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4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

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	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in Service	Change in Beds ST. HEALTH PLAN & DEV. AGENCY
Inpatient Facility					
Outpatient Facility				X	
Private Practice					

5. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
TOTAL			

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6. PROJECT COSTS AND SOURCES OF FUNDS

A. List All Project Costs:

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AMOUNT:

1.	Land Acquisition	_____
2.	Construction Contract	_____
3.	Fixed Equipment	_____
4.	Movable Equipment	_____ 15,350
5.	Financing Costs	_____
6.	Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7.	Other: <u>Est FMV of leased premises</u>	_____ 38,000

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TOTAL PROJECT COST: \$ 53,350

B. Source of Funds

1.	Cash	_____ \$15,350
2.	State Appropriations	_____
3.	Other Grants	_____
4.	Fund Drive	_____
5.	Debt	_____
6.	Other: <u>Est FMV-to be paid by monthly rent</u>	_____ 38,000

TOTAL SOURCE OF FUNDS: \$ 53,350

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7. **CHANGE OF SERVICE:** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

Stay at Home Healthcare Services, LLC (SAHHS) seeks to obtain a Certificate of Need to add the Big Island of Hawaii to its location of Home Health Agency services

8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:

- a) Date of site control for the proposed project, October 19, 2020
- b) Dates by which other government approvals/permits will be applied for and received, Est. Feb. 1, 2021
- c) Dates by which financing is assured for the project, Not applicable
- d) Date construction will commence Not applicable
- e) Length of construction period, Not applicable
- f) Date of completion of the project, Not applicable
- g) Date of commencement of operation Upon licensure and CMS Certification

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

9. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

- a) Relationship to the State of Hawai'i Health Services and Facilities Plan.
- b) Need and Accessibility
- c) Quality of Service/Care
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
- e) Relationship to the existing health care system
- f) Availability of Resources.

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Executive Summary

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Stay at Home Healthcare Services, LLC. (SHHS) is a subsidiary of Ohana Pacific Management Company (OPMC). SHHS has been providing Medicare certified home health agency services to Medicare, Medicaid and other Kauai residents since 2015.

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SHHS is seeking to expand to the Island of Hawaii to provide Home Health Agency services, including skilled nursing, rehabilitation therapy and home health aide services. We are uniquely qualified to provide Home Health Agency services on the Island of Hawaii.

Long-term care continuum. OPMC manages our clients across the entire spectrum of long-term care services on the 4 major islands, including nursing homes, home health agencies and adult day health on Oahu, Maui, Kauai and the Big Island. We provide care management that enable patients to make a smooth transition from the facility to their home and minimize the chance of readmission. We are the only organization providing services across the long-term care continuum on all 4 major islands. The establishment of a home health agency is a critical component to providing that service to the residents of Hawaii County.

Need for long-term care, home and community-based services on Hawaii island. The current utilization of long-term care services in Hawaii County illustrates a strong need for more home and community-based services on the island. SHHS will provide much needed services to enable patients to return to their home.

Coverage for Medicaid clients. OPMC and its providers accept patients regardless of type of financial coverage, thereby providing services to the vulnerable Medicaid population. Given the increase in Medicaid enrollment, there is a strong need for increased home and community-based services on the island. SHHS will fulfill that need.

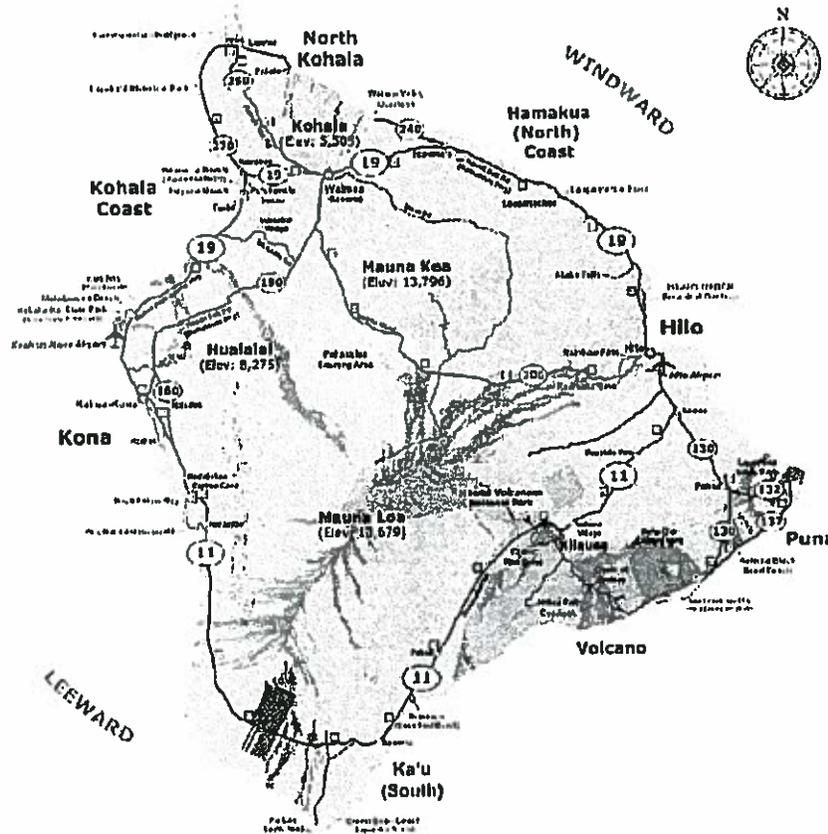
Recognizing the need for increased availability of home healthcare services in Hawaii County, SHHS will be establishing a new location on the Big Island of Hawaii. SHHS intends to provide Medicare certified home health agency services to Medicare, Medicaid and other patients on the Big Island. Services, including skilled nursing services, physical therapy, occupational therapy, speech therapy, medical social services and home health aide services, will be provided throughout the entire Big Island, including but not limited to Kailua-Kona, Hilo, Kohala, Volcano and Kau. See map below.

This expansion is in direct alignment with the goals and objectives of the State of Hawaii Health Services and Facilities Plan.

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Background

OPMC's Mission is "Caring for Our Kupuna." We provide care that delivers quality with an exceptional customer experience.

Our Core Values

We are one company united by our core values. We believe each facility or project will build on these core values to enhance its community and accomplish its mission. Our core values include:

- Integrity
- Compassion
- Humility
- Excellence
- Empowerment with Accountability
- Stewardship

We are more than just a business, we are unique in that we are:

- A local company with local values providing service on all major islands – professional enhancing Hawaii’s communities
- Offering access to a full continuum of care designed to keep people in their communities – vertical integration
- Premier staff – desiring to grow in their careers and inspired by our Vision to enhance our communities

ST. HELENA'S
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OPMC is the largest provider of long-term care services in Hawaii. We currently manage 8 nursing facilities, two home health agencies, an adult residential care home and two adult day health care agencies. We provide pre- and post- acute care on the islands of Oahu, Maui and Kauai. We are the only organization that provides services throughout both facility-based and home and community-based services in the long-term care continuum.

Provider	Location	Type of Provider	Services
Stay at Home Healthcare Services	Lihue	Home Health Agency	Home health, rehabilitation therapy and home care services
Hale Makua	Kahului	Skilled Nursing Facility – 254 SNF/ICF beds, Home Health Agency, Adult Day Health	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care, home health and adult day health services
Hale Makua	Wailuku	Skilled Nursing Facility – 90 SNF/ICF beds, 20 Type II adult residential care home beds	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care, adult residential care home
Ann Pearl Nursing Facility	Kaneohe	Skilled Nursing Facility – 104 SNF/ICF beds and Adult Day Health	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care, dementia and adult day health services
Leeward Integrated Health Services dba Puuwai o'Makaha	Waianae	Skilled Nursing Facility – 93 SNF/ICF beds	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care
Garden Isle Health Care	Lihue	Skilled Nursing Facility – 110 SNF/ICF beds	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care
Hale Kupuna Heritage Home	Koloa	Skilled Nursing Facility – 84 SNF/ICF beds	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care

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Provider	Location	Type of Provider	Services
Hilo SNF dba Legacy of Hilo Rehabilitation and Nursing	Hilo	Skilled Nursing Facility – 100 SNF/ICF beds	Skilled nursing care, intermediate care, rehabilitation therapy, respite, hospice care
Liliha Kupuna SNF dba Clarence T.C. Ching Villas	Honolulu	Skilled Nursing Facility – 119 SNF/ICF beds (44 beds under construction)	Skilled nursing care, intermediate care, rehabilitation therapy, infectious disease, medically complex care
Kauai Adult Day Health Center	Lihue	Adult Day Health	Adult day health and day care services

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As the largest provider of long-term care services, we recognize that the community needs services to be available across the continuum of both facility-based and home and community-based services. In addition, we have created a new company to provide care management, which assists patients to receive the right service at the right time. Components of our care management program include:

1. Complex care management to the most costly patients which includes not only health assessments, but environmental, psychosocial and financial assessments and support
2. Transitional care to facilitate the continuum of care at the conclusion of a hospital episode to prevent readmission
3. Disease management to provide education, reinforcement and support to those with a chronic disease.

A critical factor for care management to be successful is the availability of services across the long-term care continuum. We will be partnering with local resources such as physician groups, transportation providers, meals on wheels and others to provide the needed non-healthcare supports that are critical to the patient's success.

Stay at Home Healthcare Services, LLC (SHHS) is a wholly owned subsidiary of OPMC. SHHS has been providing home health services to the residents of Kauai since 2015. In addition, OPMC manages Hale Makua on Maui island. Like SHHS, Hale Makua is a Medicare-certified home health agency that provides services to Medicare, Medicaid and other patients.

Recently, OPMC acquired Legacy of Hilo Rehabilitation and Nursing Services, a skilled nursing facility located in Hilo, Hawaii. Through its acquisition of Legacy of Hilo, OPMC has recognized the need for increased availability of home healthcare services on the Big Island of Hawaii as an integral component of the continuum of care. The expansion of SHHS to the Big Island will provide much needed home health services to the community.

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a. Relationship to the State of Hawaii Health Services and Facility Plan

The expansion of SHHS to the Big Island of Hawaii is consistent with the goals of the State of Hawaii Health Services and Facilities Plan (HSFP).

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HSFP Goals - Specifically, the goals of HSFP includes:

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- Focus on increasing cost-effective access to necessary health care services
- Promote the financial viability of the health care delivery system
- Encourage optimization of services and expensive technology by ensuring that supply meets the need and costs are reasonable
- Promote regionalization of services where appropriate

By providing access to home health agency services in Hawaii County, this SHHS' expansion will meet all of the HSFP goals.

Statewide Health Coordinating Council (SHCC) Areas of Concern - A general principle of the Statewide Health Coordinating Council (SHCC) is to "Promote and support the long-term viability of the health care delivery system" and "Ensure that any proposed service will at least maintain overall access to quality health care at a reasonable cost." A specific area of concern was to "Ensure capacity and access to a continuum of long-term care services."

The viability of the health care system is dependent on residents receiving care in an appropriate place of service. Home health services are an integral part of the continuum of long-term care services.

Hawaii County/Hawaii Subarea Planning Council (HSAC) priority includes to "Expand the capacity of and improve the access to long-term care facilities and home and community-based services."

The SHHS expansion provides home and community-based services to the community that will reduce the demand for long-term care beds and enable residents to receive care within their home.

b. Needs and Accessibility

According to the HSFP, there were 173,057 total residents in Hawaii County in 2007. According to the State of Hawaii Data Book for 2019¹, the total population for Hawaii County was 200,983 with 42,032 people aged 65 and over. The population aged 65 and over represents almost 22% of the Hawaii County population.

¹ State of Hawaii, Department of Business and Economic Development, State of Hawaii Data Book (2019). "Table 1.30 – Resident Population by Age, by County: 2019," <https://dbedt.hawaii.gov/economic/databook/db2019/>

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Table 1.30-- RESIDENT POPULATION BY AGE GROUP, BY COUNTY: 2019

[As of July 1. Includes military personnel stationed or homeported in Hawaii and residents temporarily absent; excludes visitors present]

Age group	State total	Hawaii County	City and County of Honolulu	Kauai County	Maui County 1/
Total	1,415,872	201,513	974,563	72,293	167,503
Under 5 years	85,219	11,472	59,882	4,229	9,636
5 to 9 years	86,710	12,605	59,153	4,490	10,462
10 to 14 years	80,876	12,148	54,282	4,385	10,061
15 to 19 years	77,287	11,086	53,055	3,926	9,220
20 to 24 years	86,650	9,821	67,377	3,495	7,957
25 to 29 years	101,864	11,492	76,218	4,325	9,829
30 to 34 years	96,131	12,100	70,841	4,388	10,802
35 to 39 years	96,871	12,627	67,432	4,933	11,879
40 to 44 years	84,932	11,713	57,980	4,273	10,966
45 to 49 years	84,135	11,414	57,870	4,335	10,516
50 to 54 years	83,612	11,542	56,842	4,465	10,763
55 to 59 years	89,958	13,689	59,438	4,956	11,875
60 to 64 years	89,179	15,763	56,525	5,142	11,749
65 to 69 years	83,038	15,951	51,144	5,065	10,878
70 to 74 years	89,054	11,890	44,531	4,025	8,608
75 to 79 years	45,499	6,978	30,733	2,451	5,337
80 to 84 years	29,189	4,033	20,680	1,361	3,085
85 years and over	41,658	5,189	30,580	2,019	3,880
16 years and over	1,147,014	162,953	790,447	56,308	135,306
18 years and over	1,116,004	156,312	769,692	56,631	131,369
Under 16 years	299,858	43,201	204,871	15,662	36,134
18 to 64 years	847,556	114,271	592,024	41,680	99,581
65 years and over	266,448	44,041	177,668	14,951	31,788
In percent					
Under 16 years	21.2	21.4	21.0	21.7	21.6
18 to 64 years	59.9	56.7	60.7	57.7	59.5
65 years and over	19.0	21.9	18.2	20.7	19.0
Median age	39.6	43.1	38.4	42.2	41.7
Dependency ratio 2/	67.1	76.3	64.6	73.4	68.2

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According to the State of Hawaii, Department of Business Economic Development and Tourism (DBEDT), "Population and Economic Projections for the State of Hawaii to 2045"², the Hawaii County population aged 65 years and over is expected to increase 5.2% between 2016 and 2020, with a projected population of 45,871 by the year 2020.

² State of Hawaii, Department of Business and Economic Development, Population and Economic Projections for the State of Hawaii to 2045, "Table A-3. Hawaii County Population Projection, Selected Components, 2010-2045". <https://dbedt.hawaii.gov/economic/economic-forecast/2045-long-range-forecast/>

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This growth will continue through 2025 where the 65 and over age group will grow at the fastest rate for the population. 20 DEC -9 P2:04

Table A-3. Hawaii County Population Projection, Selected Components, 2010-2045

	2010 ¹⁾	2016 ¹⁾	2020	2025	2030	2035	2040	2045
Total resident population	185,339	198,449	209,000	222,396	235,601	248,486	260,935	273,232
Population: 0 to 4 years	11,863	12,307	12,829	13,996	14,873	15,748	16,578	17,464
School age children: 5 to 11 years	16,093	17,153	18,305	19,101	20,689	21,939	23,167	24,341
School age children: 12 to 13 years	4,560	4,675	5,054	5,457	5,565	6,151	6,498	6,852
School age children: 14 to 17 years	9,516	9,008	9,317	10,517	10,980	11,660	12,473	13,179
Population: 18 to 44 years	59,327	62,130	66,594	71,522	76,578	81,429	85,781	90,550
Population: 45 to 64 years	56,867	55,310	51,030	48,231	49,039	51,892	56,410	60,473
Population: 65 to 84 years	73,468	33,181	40,699	47,666	49,708	47,266	43,829	42,385
Population: 85 years and over	3,645	4,690	5,172	5,906	8,170	12,403	16,199	17,989
De facto population	202,682	222,485	236,684	252,073	267,463	282,588	297,097	311,869

Annual growth rates (%)	2010-2016	2016-2020	2020-2025	2025-2030	2030-2035	2035-2040	2040-2045
Total resident population	1.1	1.3	1.3	1.2	1.1	1.0	0.9
Population: 0 to 4 years	0.6	1.1	1.8	1.2	1.1	1.0	1.0
School age children: 5 to 11 years	1.1	1.6	0.9	1.6	1.2	1.1	1.0
School age children: 12 to 13 years	0.4	2.0	1.5	0.4	2.0	1.1	1.1
School age children: 14 to 17 years	-0.9	0.8	2.5	0.9	1.2	1.4	1.1
Population: 18 to 44 years	0.8	1.7	1.4	1.4	1.2	1.0	1.1
Population: 45 to 64 years	-0.5	-2.0	-1.1	0.3	1.1	1.7	1.4
Population: 65 to 84 years	5.9	5.2	3.2	0.8	-1.0	-1.5	-0.7
Population: 85 years and over	4.3	2.5	2.7	6.7	8.7	5.5	2.1
De facto population	1.6	1.6	1.3	1.2	1.1	1.0	1.0

1) 2010 vintage population estimates for July 1st of the year by the US Census Bureau.

In 2016, Hilo Medical Center closed its Home Health Agency due to budget constraints (CON 15-18a). According to the CMS.gov, there are currently only 3 certified home health agencies servicing Hawaii County. However, it is reported that there is a pending CMS application to service Hawaii County. According to the State of Hawaii, Department of Human Services, Med-QUEST website³, there are currently no home health agency providers on the Big Island that will provide services to the Medicaid residents on the Big Island and it is unknown if the pending provider will service Medicaid beneficiaries. This is concerning, as it affects the ability for these residents to obtain services in their home and creates a significant gap in coverage to the vulnerable Medicaid population. SHHS will bridge that gap by providing home health services to Medicare, Medicaid and other residents.

³ https://medquest.hawaii.gov/en/members_applicants/provider_directory.html?searchHealthPlan=&searchIsland=&searchCity=&searchName=&searchSpecialty=&searchAccountingNewPatients=&searchLanguage=&searchKeyword=homehealth

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Using data available through CMS Healthcare Cost Report Information System (HCRIS)⁴, there were approximately 1,250 Hawaii County patients served by home health agencies in 2018. This equates to a use rate of less than 29 home health agency patients per population aged 65 and older per 1000. This is the lowest use rate across the State of Hawaii.

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	Big Island	Oahu	Maui	Kauai	Total
Population aged 65+	44,041	177,668	31,788	14,951	268,448
Est. home health patients	1,251	8,793	1,498	532	12,074
No. served/1000	28.40	49.49	47.12	35.58	44.98

According to a study by National Center for Health Statistics, "Long-term Care Providers and Services Users in the United States, 2015-2016"⁵, the annual use rate for home health agency services by individuals aged 65 and over was 75 per 1000. Even with approval of the pending CMS application, this further illustrates that Hawaii County's use rate is significantly lower than national averages and suggests that home health agency capacity in Hawaii County could double and still have unmet needs.

According to the State Health Planning & Development Agency, Health Care Utilization Reports for 2018⁶, Hawaii County had a long-term care bed utilization of 87%. This is the highest in the State and indicates that there is a need for more long-term care services in Hawaii County.

⁴ Centers for Medicare & Medicaid Services, Cost Reports. Note, data for Kohala Home Care was not available and was estimated based on Medicare visits per episode. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports/HHA-1728-1994-form/>

⁵ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, "Long-term Care Providers and Services Users in the United States, 2015-2016", Series 3, Number 43, February 2019. https://www.cdc.gov/nchs/data/series/sr_03/sr03_43-508.pdf

⁶ State of Hawaii, State Health Planning & Development Agency, Health Care Utilization Reports (2018 Data), Table 10: County-Level Bed Utilization by Type of Beds, 2018. <https://health.hawaii.gov/shpda/files/2019/11/2018UR-Table-10-County-Level-Bed-Utilization-by-Type-of-Beds-rev-20200116.pdf>

Long Term Bed Occupancy	beds	days	occupancy
Hawaii County			
SNF	7	2,441	
SNF/ICF	787	250,179	
Total Hawaii County	794	252,620	87%
Honolulu County			
SNF	7	2,441	
ICF	137	49,697	
SNF/ICF	2,588	791,994	
Total Honolulu County	2,732	844,132	85%
Kauai County	333	97,897	81%
Maui County	459	139,932	84%
Statewide	4,318	1,334,581	85%

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In addition, in 2018, there were 694 waitlisted patients in Hawaii County accounting for 11,046 patient days⁷. This represented an increase from 2017 where there were 666 patients accounting for only 7,518 patient days.⁸ That means that Hawaii County averaged 30 patients a day awaiting placement for long-term care services. Waitlisted patients occupy an acute bed that is no longer appropriate given their health care needs. Access to home health services will reduce some of the wait list patients.

Home health represents a strong alternative to nursing home stays. Home health services enables patients to continue to reside in their home while receiving care. As the aging population continues to increase, there will be continued need for home health agency services in Hawaii County.

Accessibility

As with all of its facilities, OPMC intends to provide services with integrity and compassion at all times. Services will be provided regardless of income, ethnicity or disabilities. We strive to meet the needs of the community. SHHS will continue to be licensed and certified to accept Medicare and Medicaid patients in need of skilled nursing, physical therapy, occupational, therapy, speech therapy, medical social services and home health aide services. We will not discriminate based on financial resources.

⁷ State of Hawaii, State Health Planning & Development Agency, Health Care Utilization Reports (2018 Data), Table 18: Wait Listed Patients in Acute Care Beds Ready to Discharge but Unable to Place, 2018.

<https://health.hawaii.gov/shpda/files/2019/11/2018UR-Table-18-Wait-Listed-Patients-in-Acute-Care-Beds-1.pdf>

⁸ State of Hawaii, State Health Planning & Development Agency, Health Care Utilization Reports (2017 Data), Table 18: Wait Listed Patients in Acute Care Beds Ready to Discharge but Unable to Place, 2017.

<https://health.hawaii.gov/shpda/files/2018/10/Table-18-Wait-listed-patients-acute-2017.pdf>

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c. Quality of Service/Care

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SHHS will continue to comply with all Federal and State licensure and certification requirements. SHHS provides care that is customized to the patient and their caregivers. SHHS enables homebound individuals to recuperate in the comfort of their own home surrounded by family and friends who can provide the social interaction and emotional therapy that is instrumental to their recovery. SHHS not only provides care to the patient, they also provide education to the family, caregivers and other individuals in the client's circle of support in the areas of disease management, methods of caregiving and how to access needed service.

OPMC's Home Health Agency providers, SHHS and Hale Makua, are recognized by CMS⁹ as 2.5 stars and 4 star providers for its quality rating, respectively. Of the 20 quality measures, Hale Makua exceeded national and/or state averages in the following 14 areas:

1. How often patients got better at getting in and out of bed
2. How often patients got better at bathing
3. How often patients breathing improved
4. How often patients wounds improved or healed after an operation
5. How often the home health team began their patient[s] care in a timely manner
6. How often the home health team taught patients about their drugs
7. How often patients got better at taking their drugs correctly by mouth
8. How often the home health team checked patients risk of falling
9. How often the home health team checked patients for depression
10. For patients with diabetes, how often the home health team got doctor's orders, gave foot care and taught patients about foot care
11. How often physician recommended actions to address medication issues were completed timely
12. How often home health patients had to be admitted to the hospital
13. How often patients receiving home health care needed urgent unplanned care in the hospital emergency room – without being admitted to the hospital
14. How often patients remained in the community after discharge from home health

OPMC's corporate staff develops corporate-wide policies and procedures that are trained and implemented at each community. OPMC will continue to provide SHHS with the procedures, guidance and oversight necessary for it to improve and sustain high quality care for its patients. There is a quality assurance process in place to continually assess and monitor care and identify improvement opportunities. We conduct semi-annual mock surveys to assist in identifying quality concerns, resident or family concerns and ensure that we achieve regulatory compliance.

⁹ Medicare.gov <https://www.medicare.gov/care-compare/#search>

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Providing quality care is of utmost importance to us. We will not admit a patient if we do not have trained and qualified staff in place to properly care for the patient.

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d. Cost and Finances

There are no major capital costs associated with this expansion. In addition, as a licensed and Medicare certified home health agency, SHHS already has the proper systems and procedures in place to care for Hawaii County's residents. This project will provide access to skilled nursing and rehabilitation therapy services to homebound individuals in their own home, as opposed to a facility-setting. This will decrease the overall cost of services to the health care community.

The following are projected to be the Year 1 and Year 3 revenues and expenses for this expansion.

	<u>Year 1</u>	<u>Year 3</u>
Patient Revenues	827,000	3,504,000
Labor and benefits	565,500	1,599,000
Operating Costs	269,000	803,150
Other costs	186,400	400,000
Total Costs	1,020,900	2,802,150
Net Income	(193,900)	701,850

We anticipate hiring 11 employees in year 1 and 17 employees in year 3.

As a well established provider with a long history of providing quality services to our patients, OPMC has sufficient resources to undertake this project, including sustaining operations through the first year of anticipated losses.

e. Relationship to the Existing Health Care System

As previously mentioned, there is a need for these home health agency services in Hawaii County. Home health services enhance the health care system in the community by providing a much needed service to a fast growing aging population. Increasing the availability of Home and Community-based services is also consistent with national trends and Hawaii Medicaid initiatives as it provides quality care in a more cost effective manner.

As the largest organization providing long-term care services across the entire continuum of facility-based and home and community-based services, we value our relationships with the other health care providers and strongly believe that each is essential to the health care community. Notably, we have strong relationships with the

hospitals, physicians, other skilled nursing facilities, Federally-qualified healthcare centers and ancillary providers in the communities that we serve. If desired, we can provide endorsements from these providers attesting to our integration with the healthcare system and strong relationships within the healthcare community.

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SHHS will work closely with the Hawaii County hospitals, skilled nursing facilities, physicians, home and community-based providers and other agencies to coordinate care with the goal to provide the right care in the right place at the right time. We will work closely with case managers at Hilo Medical Center, Kona Community Hospital and North Hawaii Community Hospital as well as the critical access hospitals – Kohala Hospital, Kau Hospital and Hale Ho'Ola Hamakua to plan for timely discharge of patients back to their home with minimal interruption in services.

ST HLTH PLNG
DEV. AGENCY

f. Availability of Resources

OPMC currently employs over 1,200 staff across all of its facilities and corporate offices and over 100 staff on the Big Island. As a wholly owned subsidiary of OPMC, SHHS has the existing financial capital and human resources to fully support a viable home health services program for the Big Island community.

We aggressively recruit staff using a combination of staffing websites, job fairs and recruiters to identify qualified candidates. In addition, OPMC has also conducted CNA training classes to provide education and hands-on training for those interested in achieving certification and working within the OPMC organization. This enables residents of the Big Island to remain on their home island. As needed, OPMC also has the ability to transfer or temporarily deploy staff within the organization.

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10. **Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

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It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

ST. HLTH PLNG & DEV AGENCY

It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

It is a change of ownership, where the change is from one entity to another substantially related entity.

It is an additional location of an existing service or facility.

The applicant believes it will not have a significant impact on the health care system.